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SUBJECT: NETHERLANDS/PROVINCIAL ELECTIONS: NEW COALITION PASSES FIRST MAJOR TEST

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¶11. (U) Summary: Dutch voters gave Prime Minister Balkenende's new center-left coalition government a conditional vote of confidence in the March 7 provincial elections. As a result of these elections, the three coalition parties will hold a slim majority (41 out of 75 seats) in the upper house of Parliament when its membership is selected in late May. In a replay of the November, 2006 lower house elections, however, the opposition Socialist Party (SP) tripled its representation -- exposing, again, the relative weakness of the center-left Labor Party (PvdA) within the coalition -- while small parties such as the Christian Union (CU) and Party for the Animals (PvdD) also consolidated their recent gains. The March 7 results are expected to strengthen the coalition partners' determination to make the new government a success in the face of a large but divided opposition in both houses of parliament. End Summary.

TWO-STAGE ELECTION FOR UPPER HOUSE

¶12. (U) On March 7, Dutch voters went to the polls for the third time in one year, this time to elect members of the regional "provincial councils." Since the importance of the once-powerful provincial governments has declined markedly over the years, many voters consider the provincial elections to be largely irrelevant, and voter turnout is traditionally low by Dutch standards (i.e., only 46-47 percent.) The one significant power retained by the provincial councils, however, is to elect the 75 members of the upper house of the Dutch Parliament (aka "First Chamber" or "Senate.") This election will take place on May 29 and will mirror exactly the results of the March 7 election.

¶13. (U) As the upper house has the power to block legislation, failure by the coalition parties to win a majority of seats could have hindered the new government's ability to pass and implement legislation on a number of key areas. Given growing support in the polls for opposition parties -- especially SP and the anti-immigrant, anti-Islam Freedom (PVV) party of Geert Wilders -- the lukewarm public attitude toward the new government, and recent heated debates on dual citizenship and an Iraq inquiry that put coalition partner PvdA increasingly on the defensive, many observers believed that a divided parliament was a real possibility.

In the end, however, the three coalition parties squeaked out a narrow victory, winning (in effect) 41 out of 75 seats. (See para 9 for anticipated allocation of upper house seats by party.)

COALITION HANGS ON TO A MAJORITY -- JUST

¶14. (U) Although CDA will have lost one seat in the upper house, Prime Minister Jan Peter Balkenende was visibly relieved that CDA, with 22 seats, will remain the largest party in the chamber, and that the coalition will also have a majority. Both the CDA and the

CU -- which will double its representation from 2 to 4 seats -- viewed the results as an endorsement of their decision to join the coalition government and a mandate to pursue the objectives of the coalition accord. The result also highlighted -- again -- the critical role of the CU in the coalition, as without its 4 seats the CDA and PvdA would have no majority.

¶15. (U) In contrast to the CDA and CU, the PvdA took another big hit in the polls and will lose 4 of its current seats (going from 19 to 15) -- a sign that it has still not fully convinced its membership of the merits of joining the coalition. SP and GreenLeft have effectively wooed PvdA voters by capitalizing on the PvdA's concessions in the coalition accord, such as the decision to drop its earlier demand for an inquiry into the Dutch decision to provide support for military operations in Iraq. PvdA also came under attack during the campaign from the right over the dual citizenship of two PvdA Muslim cabinet members and one PvdA Muslim MP. In interviews after the election, however, PvdA leader Wouter Bos put a brave face on the result by noting that the PvdA was predicted to lose even more votes to SP, but managed to do no worse than it did in the Second Chamber (lower house) elections last November.

OPPOSITION GROWING, BUT NOT UNITED

¶16. (U) Among the opposition parties, SP was ecstatic about the third major victory in a row and tripling its seats from 4 to 12 in the upper house. SP has consolidated its position as a major force on the Dutch political scene and its long-term goal remains government participation. The conservative Liberal (VVD) party scored better than in November and retained 15 seats in the upper house, partly thanks to the lack of competition from the right (Wilders' PVV chose not to contest the provincial elections) compounded by a conscious effort by VVD leaders to solicit Wilders' voters by endorsing his crusade against dual citizenship of immigrants. Of the smaller opposition parties, the Party for Animals (PvdD) built on its November victory by winning a seat in the upper house, while the

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former government party Democrats 66 (D66) was decimated almost into oblivion, retaining only 1 seat.

¶17. (U) SP leader Jan Marijnissen was pleased that a year with three elections was over. Now it is time, he said to give the new coalition government the chance to implement its ambitious plans. Unlike VVD, SP welcomes the new coalition's social plans in particular, and Marijnissen reaffirmed that SP is giving the coalition "the benefit of the doubt." He also implicitly reaffirmed that the opposition is seriously divided. The coalition parties were relieved that with a small majority in both houses of parliament they can now start implementing their plans.

COMMENT:

¶18. (SBU) Well aware of their shaky electoral support, CDA and PvdA know that they can only regain the voters' confidence in the coming years if they succeed in turning the coalition into a success. They are bound to benefit from the stabilizing factor that the Christian Union represents in the coalition government -- as opposed to the volatile D66, which brought down the last Balkenende government -- but also will be, to some degree, a hostage to their junior partner's socially conservative agenda. While the coalition holds the slimmest of majorities in both houses of parliament, it can take some comfort from the fact that the opposition is deeply divided, encompassing far-right, far-left, and single issue parties with few unifying interests. The far-right and far-left have in the past occasionally found common ground -- as in their shared opposition to the draft EU constitutional treaty -- but this will be the exception rather than the norm. After a year of elections and political turbulence, therefore, prospects for coalition stability are relatively good for the next few years. Unforeseen calamities apart, Dutch voters should not have to return to the voting booths until the European Parliament elections in June 2009. END COMMENT

ALLOCATION OF UPPER HOUSE SEATS BY PARTY:

¶ 9. Although the actual allocation of positions in the 75 seat upper house will not officially take place until May 29, based on the provincial election results it is anticipated to look like this:

Coalition Parties (Total - 41):

- Christian Democratic Alliance (CDA) -- 22
- Labor Party (PvdA) -- 15
- Christian Union (CU) -- 4

Opposition Parties

- Party of Freedom and Democracy (VVD) -- 15
- Socialist Party (SP) -- 12
- GreenLeft (GL) -- 4
- Calvinist Party (SGP) -- 1
- Democrats 66 (D66) -- 1
- Party for the Animals (PvdD) -- 1

Blakeman